



MILWAUKEE COUNTY

Employees' Retirement System of Milwaukee County

Monthly Update
January 31, 2011

Market Values

January 31, 2011

| Asset Class | Investment Manager | Market Values | Allocation | Target |
|-----------------------------------|------------------------------|-------------------------------|----------------------|----------------------|
| Core Fixed Income | J.P. Morgan | \$299,185,310 | 16.1% | 16.0% |
| Core Fixed Income | Mellon Capital - Non Lending | <u>\$273,134,844</u> | <u>14.7%</u> | <u>16.0%</u> |
| Total Fixed Income | | \$572,320,154 | 30.7% | 32.0% |
| Large-Cap Core Equity | Mellon Capital - Non Lending | \$116,520,869 | 6.3% | 6.0% |
| Large-Cap Value Equity | Boston Partners | \$131,805,226 | 7.1% | 7.0% |
| Mid-Cap Growth Equity | Artisan Partners | \$43,905,705 | 2.4% | 2.5% |
| Mid-Cap Growth Equity | Reinhart Partners | \$49,099,378 | 2.6% | 2.5% |
| Small-Cap Value Equity | AQR | \$42,688,365 | 2.3% | 2.5% |
| Small-Cap Value Equity | Fiduciary Management | \$48,593,862 | 2.6% | 2.5% |
| Cash Securitization | Cash Equity Overlay | <u>\$4,721,037</u> | <u>0.3%</u> | <u>---</u> |
| Total U.S. Equity | | \$437,334,442 | 23.5% | 23.0% |
| International Core | Barings | \$117,017,024 | 6.3% | 6.0% |
| International Value | GMO Large Cap Value | \$101,532,280 | 5.5% | 6.0% |
| International Small Core | GMO Intl Small Companies | \$71,001,363 | 3.8% | 3.0% |
| Emerging Markets | Barings | <u>\$63,581,886</u> | <u>3.4%</u> | <u>3.0%</u> |
| Total International Equity | | \$353,132,553 | 19.0% | 18.0% |
| Hedged Equity | ABS | \$96,267,951 | 5.2% | 5.0% |
| Hedged Equity | K2 | <u>\$93,923,704</u> | <u>5.0%</u> | <u>5.0%</u> |
| Total Hedged Equity | | \$190,191,655 | 10.2% | 10.0% |
| Real Estate REIT | ING Clarion | \$18,079,722 | 1.0% | 0.0% |
| Real Estate Core | Morgan Stanley | \$77,851,393 | 4.2% | --- |
| Real Estate Core | American Realty | \$12,840,000 | 0.7% | --- |
| Real Estate - Core | UBS | <u>\$0</u> | <u>0.0%</u> | <u>---</u> |
| Total Real Estate | | \$108,771,115 | 5.8% | 7.0% |
| Infrastructure | IFM | \$70,538,678 | 3.8% | 3.5% |
| Infrastructure | JP Morgan | <u>\$59,839,535</u> | <u>3.2%</u> | <u>3.5%</u> |
| Total Infrastructure | | \$130,378,213 | 7.0% | 7.0% |
| Private Equity FoFs Diversified | Progress | \$274,807 | 0.0% | --- |
| Private Equity FoFs Diversified | Adams Street 2005 | \$7,124,636 | 0.4% | --- |
| Private Equity FoFs Diversified | Adams Street 2009 | \$4,922,201 | 0.3% | --- |
| Private Equity FoFs Diversified | Brinson 1998 | \$357,482 | 0.0% | --- |
| Private Equity FoFs Diversified | Brinson 1999 | \$600,531 | 0.0% | --- |
| Private Equity FoFs Diversified | Brinson 2000 | \$1,756,704 | 0.1% | --- |
| Private Equity FoFs Diversified | Brinson 2001 | \$3,204,922 | 0.2% | --- |
| Private Equity FoFs Diversified | Brinson 2002 | \$2,031,261 | 0.1% | --- |
| Private Equity FoFs Diversified | Brinson 2003 | \$1,877,306 | 0.1% | --- |
| Private Equity FoFs Diversified | Brinson 2004 | \$2,310,598 | 0.1% | --- |
| Private Equity - Direct | Separate Account - Old | \$16,674 | 0.0% | --- |
| Private Equity - Direct | Separate Account - New | <u>\$105,885</u> | <u>0.0%</u> | <u>---</u> |
| Total Private Equity | | \$24,583,007 | 1.3% | 3.0% |
| Total Cash Equivalents | | \$45,468,658 | 2.4% | 0.0% |
| TOTAL PORTFOLIO | | <u>\$1,862,179,797</u> | <u>100.0%</u> | <u>100.0%</u> |

Annualized Total Fund Performance (Gross of Fees)

January 31, 2011

| | Mth. | YTD | 1 Year | 2 Year | 3 Year | 4 Year | 5 Year | 7 Year | 10 Year |
|---|-------------|-------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
| Total Fund Composite | 0.7% | 0.7% | 15.1% | 17.8% | 2.6% | 2.3% | 4.1% | 6.4% | 5.9% |
| Benchmark | | | | | | | | | |
| Policy Benchmark ¹ | 1.0% | 1.0% | 15.4% | 19.8% | 2.1% | 2.0% | 3.9% | 5.6% | 4.9% |
| Actuarial Rate of Return | --- | --- | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |
| Total Fixed Income Composite | 0.3% | 0.3% | 5.7% | 11.1% | 6.4% | 6.7% | 6.6% | 6.0% | 7.1% |
| Benchmark | | | | | | | | | |
| BarCap Aggregate | 0.1% | 0.1% | 5.1% | 6.8% | 5.4% | 6.2% | 5.8% | 5.0% | 5.7% |
| Total Domestic Equity Composite | 1.8% | 1.8% | 26.5% | 32.0% | 3.0% | 1.5% | 3.5% | 6.1% | 3.6% |
| Benchmark | | | | | | | | | |
| Wilshire 5000 | 2.2% | 2.2% | 23.9% | 29.3% | 0.9% | 0.0% | 2.6% | 4.7% | 2.3% |
| Total International Equity Composite | 0.4% | 0.4% | 18.5% | 26.2% | -3.2% | -3.8% | -0.8% | 2.7% | 3.4% |
| Benchmark | | | | | | | | | |
| MSCI ACWI ex US | 1.0% | 1.0% | 18.5% | 32.6% | -1.0% | 0.6% | 4.1% | 9.0% | 5.9% |
| Total Hedged Equity Composite | 0.0% | 0.0% | 6.8% | --- | --- | --- | --- | --- | --- |
| Benchmark | | | | | | | | | |
| HFRX Hedged Equity | -0.2% | -0.2% | 9.7% | 11.0% | -1.7% | -1.7% | 0.1% | 1.2% | 3.1% |
| MSCI ACWI | 1.6% | 1.6% | 20.2% | 30.5% | -0.5% | 0.2% | 3.3% | 6.6% | 3.6% |
| Total Real Estate Composite | 0.3% | 0.3% | 23.7% | 33.5% | -0.3% | -6.8% | 1.2% | 7.7% | 10.3% |
| Benchmark | | | | | | | | | |
| Custom Benchmark ² | 0.0% | 0.0% | 26.2% | 37.0% | -2.9% | -7.3% | 0.5% | 6.5% | 10.5% |
| Total Infrastructure Composite | 0.7% | 0.7% | --- | --- | --- | --- | --- | --- | --- |
| Benchmark | | | | | | | | | |
| CPI + 4% | 0.7% | 0.7% | 5.7% | 6.1% | 5.4% | 6.1% | 6.1% | 6.5% | 6.3% |

¹ As of 6/30/2010, the Policy Benchmark consists of 39% BarCap Aggregate, 36% Wilshire 500, 18% MSCI ACWI ex US, and 7% NCREIF ODCE. Prior to 6/30/2010, the Policy Benchmark consisted of 35% BarCap Aggregate, 7% BarCap High Yield, 14% Wilshire 4500, 20% S&P 500, 16% MSCI EAFE, 4% MSCI World ex US, 1% 91 Day T-Bills, and 3% S&P Global REIT.

² As of 9/30/2010, the Custom Real Estate Benchmark consists of 100% NFI ODCE. Prior to 9/30/2010, the Custom Real Estate Benchmark consisted of 100% S&P Global REIT.

Signifies Outperformance of Benchmark

Calendar Year Total Fund Performance (Gross of Fees)

| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|---|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Total Fund Composite | 12.2% | 18.6% | -22.3% | 6.3% | 14.1% | 8.7% | 14.2% | 25.1% | -5.3% | -1.8% |
| Rank vs. Total Public Funds | 49 | 54 | 38 | 77 | 24 | 17 | 4 | 12 | 20 | 34 |
| Rank vs. Funds > \$1 Billion | 69 | 48 | 23 | 85 | 42 | 34 | 15 | 20 | 19 | 36 |
| Benchmark | | | | | | | | | | |
| Policy Benchmark ¹ | 12.5% | 20.5% | -24.9% | 6.8% | 14.1% | 6.8% | 12.2% | 23.8% | -6.8% | -4.6% |
| Actuarial Rate of Return | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |
| Total Fixed Income Composite | 7.0% | 15.4% | -1.4% | 6.3% | 6.3% | 3.1% | 7.1% | 12.1% | 9.0% | 8.9% |
| Rank vs. Total Public Fixed Income | 56 | 17 | 74 | 59 | 16 | 25 | 17 | 7 | 54 | 27 |
| Benchmark | | | | | | | | | | |
| BarCap Aggregate | 6.5% | 5.9% | 5.2% | 7.0% | 4.3% | 2.4% | 4.3% | 4.1% | 10.3% | 8.4% |
| Total Domestic Equity Composite | 19.7% | 32.5% | -36.7% | 5.9% | 14.5% | 8.3% | 15.6% | 31.1% | -21.3% | -6.9% |
| Rank vs. Total Public U.S. Equity | 42 | 38 | 48 | 47 | 52 | 40 | 32 | 46 | 51 | 40 |
| Benchmark | | | | | | | | | | |
| Wilshire 5000 | 17.2% | 28.3% | -37.2% | 5.6% | 15.8% | 6.4% | 12.5% | 31.6% | -20.9% | -11.0% |
| Total International Equity Composite | 12.5% | 29.1% | -43.9% | 6.3% | 14.1% | 8.7% | 14.2% | 25.1% | -5.3% | -1.8% |
| Rank vs. Total Public International | 48 | 76 | 52 | 89 | 93 | 89 | 88 | 93 | 17 | 6 |
| Benchmark | | | | | | | | | | |
| MSCI ACWI ex US | 11.6% | 42.1% | -45.2% | 17.1% | 27.2% | 17.1% | 21.4% | 41.4% | -14.7% | -19.5% |
| Total Hedged Equity Composite | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Rank vs. Hedge Fund of Fund Portfolios | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Benchmark | | | | | | | | | | |
| HFRX Hedged Equity | 8.9% | 13.1% | -25.5% | 3.2% | 9.2% | 4.2% | 2.2% | 14.5% | 2.1% | 9.0% |
| MSCI ACWI | 13.2% | 35.4% | -41.9% | 12.2% | 21.5% | 11.4% | 15.8% | 34.6% | -19.0% | -15.9% |
| Total Real Estate Composite | 15.3% | 36.1% | -38.0% | -15.4% | 37.5% | 13.5% | 34.0% | 38.1% | 4.4% | 6.6% |
| Rank vs. Total REIT Portfolios | 81 | 17 | 59 | 70 | 23 | 75 | 48 | 28 | 52 | 72 |
| Benchmark | | | | | | | | | | |
| Custom Benchmark ² | 21.1% | 33.7% | -45.0% | -11.1% | 38.8% | 10.4% | 33.8% | 39.0% | 7.9% | 13.0% |
| Total Infrastructure Composite | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Benchmark | | | | | | | | | | |
| CPI + 4% | 5.4% | 6.8% | 4.0% | 8.1% | 6.5% | 7.3% | 7.3% | 6.0% | 6.5% | 5.6% |

¹ As of 6/30/2010, the Policy Benchmark consists of 39% BarCap Aggregate, 36% Wilshire 500, 18% MSCI ACWI ex US, and 7% NCREIF ODCE. Prior to 6/30/2010, the Policy Benchmark consisted of 35% BarCap Aggregate, 7% BarCap High Yield, 14% Wilshire 4500, 20% S&P 500, 16% MSCI EAFE, 4% MSCI World ex US, 1% 91 Day T-Bills, and 3% S&P Global REIT.

² As of 9/30/2010, the Custom Real Estate Benchmark consists of 100% NFI ODCE. Prior to 9/30/2010, the Custom Real Estate Benchmark consisted of 100% S&P Global REIT.

Signifies Outperformance of Benchmark

Annualized Investment Manager Performance (Gross of Fees)

January 31, 2011

| | Mth. | YTD | 1 Year | 2 Year | 3 Year | 4 Year | 5 Year | 7 Year | 10 Year |
|---------------------------------------|-------|-------|--------|--------|--------|--------|--------|--------|---------|
| Fixed Income - Core | | | | | | | | | |
| J.P. Morgan | 0.5% | 0.5% | 5.5% | 7.9% | 5.9% | 6.7% | 6.3% | --- | --- |
| Mellon Capital | 0.1% | 0.1% | 5.1% | 6.6% | 5.4% | 6.3% | 5.9% | 5.0% | 5.7% |
| Benchmarks | | | | | | | | | |
| BarCap Aggregate | 0.1% | 0.1% | 5.1% | 6.8% | 5.4% | 6.2% | 5.8% | 5.0% | 5.7% |
| Large-Cap Core Equity | | | | | | | | | |
| Mellon Capital | 2.4% | 2.4% | 22.1% | 27.5% | 0.0% | -0.6% | 2.3% | 4.0% | 1.3% |
| Benchmarks | | | | | | | | | |
| S&P 500 | 2.4% | 2.4% | 22.2% | 27.5% | -0.1% | -0.6% | 2.2% | 3.9% | 1.3% |
| Large-Cap Value Equity | | | | | | | | | |
| Boston Partners | 2.9% | 2.9% | 20.8% | 27.3% | 1.7% | 0.8% | 3.9% | 7.1% | 5.6% |
| Benchmarks | | | | | | | | | |
| Russell 1000 Value | 2.3% | 2.3% | 21.5% | 26.4% | -2.4% | -3.1% | 1.0% | 4.2% | 3.5% |
| Mid-Cap Growth Equity | | | | | | | | | |
| Artisan Partners | 1.1% | 1.1% | 44.0% | 46.3% | 8.9% | 8.7% | 8.4% | 9.8% | 6.4% |
| Reinhart Partners | 1.3% | 1.3% | 28.7% | 31.8% | 3.2% | 1.6% | 4.7% | --- | --- |
| Benchmarks | | | | | | | | | |
| Russell MidCap Growth | 2.0% | 2.0% | 34.3% | 40.5% | 4.5% | 3.1% | 4.1% | 7.2% | 2.8% |
| Small-Cap Value Equity | | | | | | | | | |
| AQR | 0.2% | 0.2% | 28.9% | 39.4% | 3.9% | -0.6% | --- | --- | --- |
| Fiduciary Management | 0.8% | 0.8% | 30.3% | --- | --- | --- | --- | --- | --- |
| Benchmarks | | | | | | | | | |
| Russell 2000 Value | 0.1% | 0.1% | 28.3% | 32.4% | 3.6% | -1.3% | 1.9% | 5.7% | 8.1% |
| International Large-Cap Equity | | | | | | | | | |
| ¹ Barings | -0.3% | -0.3% | 15.0% | 23.7% | -3.4% | --- | --- | --- | --- |
| ¹ GMO Large Cap Value | 3.1% | 3.1% | 16.1% | 22.4% | -4.3% | -3.2% | 1.0% | 6.5% | 7.2% |
| Benchmarks | | | | | | | | | |
| MSCI EAFE | 2.4% | 2.4% | 15.9% | 27.5% | -2.7% | -1.9% | 2.2% | 7.0% | 4.2% |
| International Small-Cap Equity | | | | | | | | | |
| ¹ GMO Intl Small Companies | 0.9% | 0.9% | 24.6% | --- | --- | --- | --- | --- | --- |
| Benchmarks | | | | | | | | | |
| Citigroup ex. US <\$2 Billion | -0.4% | -0.4% | 27.0% | 46.4% | 4.6% | 3.8% | 6.3% | 12.4% | 12.0% |
| Emerging Markets Equity | | | | | | | | | |
| ¹ Barings | -3.0% | -3.0% | 23.7% | --- | --- | --- | --- | --- | --- |
| Benchmarks | | | | | | | | | |
| MSCI EM | -2.7% | -2.7% | 22.8% | 49.0% | 3.6% | 8.3% | 10.1% | 16.7% | 14.4% |

Annualized Investment Manager Performance (Gross of Fees)

January 31, 2011

| | Mth. | YTD | 1 Year | 2 Year | 3 Year | 4 Year | 5 Year | 7 Year | 10 Year |
|-------------------------------|-------|-------|--------|--------|--------|--------|--------|--------|---------|
| Hedged Equity | | | | | | | | | |
| ¹ ABS | -0.5% | -0.5% | --- | --- | --- | --- | --- | --- | --- |
| ¹ K2 | 0.5% | 0.5% | --- | --- | --- | --- | --- | --- | --- |
| Benchmarks | | | | | | | | | |
| HFRX Hedged Equity | -0.2% | -0.2% | 9.7% | 11.0% | -1.7% | -1.7% | 0.1% | 1.2% | 3.1% |
| MSCI ACWI | 1.6% | 1.6% | 20.2% | 30.5% | -0.5% | 0.2% | 3.3% | 6.6% | 3.6% |
| Real Estate | | | | | | | | | |
| ING Clarion | 1.5% | 1.5% | 25.8% | 34.6% | 0.3% | -6.4% | 1.5% | 7.9% | 10.6% |
| Morgan Stanley | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| American Realty | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Benchmarks | | | | | | | | | |
| Custom Benchmark ² | 1.8% | 1.8% | 31.4% | 39.8% | -1.6% | -6.3% | 1.4% | 7.2% | 11.0% |
| NCREIF - ODCE | --- | --- | 15.9% | -7.8% | -10.4% | -4.9% | -1.2% | 3.6% | 4.2% |
| Infrastructure | | | | | | | | | |
| ¹ IFM | 1.3% | 1.3% | --- | --- | --- | --- | --- | --- | --- |
| ¹ JP Morgan | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Benchmarks | | | | | | | | | |
| CPI + 4% | 0.7% | 0.7% | 5.7% | 6.1% | 5.4% | 6.1% | 6.1% | 6.5% | 6.3% |

Signifies Outperformance of Benchmark

¹ Performance reported is net of fees.

² As of 3/31/08 the benchmark is the S&P Developed REIT Index. Prior to 3/31/08, the benchmark was the MSCI US REIT Index.

Calendar Year Investment Manager Performance (Gross of Fees)

| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|---------------------------------------|-------|-------|--------|-------|-------|-------|-------|-------|--------|--------|
| Fixed Income - Core | | | | | | | | | | |
| J.P. Morgan | 6.3% | 8.7% | 4.2% | 7.0% | 4.6% | --- | --- | --- | --- | --- |
| Rank by Style | 70 | 55 | 42 | 43 | 46 | --- | --- | --- | --- | --- |
| Mellon Capital | 6.6% | 5.6% | 5.6% | 7.1% | 4.3% | 2.5% | 4.4% | 4.1% | 10.2% | 8.7% |
| Rank by Style | 63 | 83 | 27 | 38 | 63 | 64 | 54 | 68 | 37 | 42 |
| Benchmarks | | | | | | | | | | |
| BarCap Aggregate | 6.5% | 5.9% | 5.2% | 7.0% | 4.3% | 2.4% | 4.3% | 4.1% | 10.3% | 8.4% |
| Large-Cap Core Equity | | | | | | | | | | |
| Mellon Capital | 14.9% | 26.6% | -37.0% | 5.6% | 15.9% | 5.0% | 10.9% | 28.7% | -22.0% | -11.9% |
| Rank by Style | 69 | 64 | 57 | 36 | 40 | 65 | 58 | 59 | 68 | 61 |
| Benchmarks | | | | | | | | | | |
| S&P 500 | 15.1% | 26.5% | -37.0% | 5.5% | 15.8% | 4.9% | 10.9% | 28.7% | -22.1% | -11.9% |
| Large-Cap Value Equity | | | | | | | | | | |
| Boston Partners | 13.7% | 27.0% | -33.1% | 5.4% | 19.8% | 12.0% | 17.2% | 26.4% | -19.0% | 4.3% |
| Rank by Style | 53 | 36 | 19 | 30 | 46 | 18 | 33 | 83 | 68 | 19 |
| Benchmarks | | | | | | | | | | |
| Russell 1000 Value | 15.5% | 19.7% | -36.8% | -0.2% | 22.2% | 7.1% | 16.5% | 30.0% | -15.5% | -5.6% |
| Mid-Cap Growth Equity | | | | | | | | | | |
| Artisan Partners | 33.3% | 51.9% | -42.9% | 22.0% | 10.4% | 10.3% | 16.2% | 33.4% | -24.8% | -1.5% |
| Rank by Style | 8 | 13 | 64 | 20 | 73 | 68 | 52 | 78 | 66 | 20 |
| Reinhart Partners | 21.8% | 36.0% | -38.7% | 6.6% | 22.3% | --- | --- | --- | --- | --- |
| Rank by Style | 84 | 77 | 31 | 87 | 8 | --- | --- | --- | --- | --- |
| Benchmarks | | | | | | | | | | |
| Russell MidCap Growth | 26.4% | 46.3% | -44.3% | 11.4% | 10.7% | 12.1% | 15.5% | 42.7% | -27.4% | -20.2% |
| Small-Cap Value Equity | | | | | | | | | | |
| AQR | 26.8% | 31.3% | -33.6% | -9.6% | --- | --- | --- | --- | --- | --- |
| Rank by Style | 60 | 40 | 73 | 75 | --- | --- | --- | --- | --- | --- |
| Fiduciary Management | 25.1% | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Rank by Style | 66 | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Benchmarks | | | | | | | | | | |
| Russell 2000 Value | 24.5% | 20.6% | -28.9% | -9.8% | 23.5% | 4.7% | 22.2% | 46.0% | -11.4% | 14.0% |
| International Large-Cap Equity | | | | | | | | | | |
| ¹ Barings | 8.8% | 33.2% | -44.3% | --- | --- | --- | --- | --- | --- | --- |
| Rank by Style | 67 | 56 | 61 | --- | --- | --- | --- | --- | --- | --- |
| ¹ GMO Large Cap Value | 7.6% | 18.6% | -38.7% | 10.0% | 25.4% | 14.3% | 25.3% | 43.5% | -0.6% | -12.1% |
| Rank by Style | 17 | 98 | 10 | 34 | 80 | 39 | 14 | 7 | 1 | 1 |
| Benchmarks | | | | | | | | | | |
| MSCI EAFE | 8.2% | 32.5% | -43.1% | 11.6% | 26.9% | 14.0% | 20.7% | 39.2% | -15.7% | -21.2% |
| International Small-Cap Equity | | | | | | | | | | |
| ¹ GMO Intl Small Companies | 21.2% | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Rank by Style | 71 | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Benchmarks | | | | | | | | | | |
| Citigroup ex. US <\$2 Billion | 24.4% | 62.8% | -49.2% | 14.8% | 23.1% | 25.2% | 30.0% | 59.2% | -5.5% | -9.8% |
| Emerging Markets Equity | | | | | | | | | | |
| ¹ Barings | 18.3% | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Rank by Style | 54 | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Benchmarks | | | | | | | | | | |
| MSCI EM | 19.2% | 79.0% | -53.2% | 39.8% | 32.6% | 34.5% | 26.0% | 56.3% | -6.0% | -2.4% |

Calendar Year Investment Manager Performance (Gross of Fees)

| | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|-------------------------------|-------|--------|--------|--------|-------|-------|-------|-------|--------|--------|
| Long/Short Equity | | | | | | | | | | |
| ¹ ABS | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Rank by Style | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ¹ K2 | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Rank by Style | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Benchmarks | | | | | | | | | | |
| HFRX Hedged Equity | 8.9% | 13.1% | -25.5% | 3.2% | 9.2% | 4.2% | 2.2% | 14.5% | 2.1% | 9.0% |
| MSCI ACWI | 13.2% | 35.4% | -41.9% | 12.2% | 21.5% | 11.4% | 15.8% | 34.6% | -19.0% | -15.9% |
| Real Estate | | | | | | | | | | |
| ING Clarion | 15.9% | 36.1% | -38.1% | -15.4% | 37.6% | 13.5% | 34.5% | 37.7% | 4.5% | 6.9% |
| Rank by Style | 73 | 17 | 60 | 70 | 20 | 73 | 45 | 32 | 52 | 72 |
| Morgan Stanley | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Rank by Style | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Benchmarks | | | | | | | | | | |
| Custom Benchmark ² | 28.0% | 28.0% | -37.7% | -15.7% | 35.1% | 12.2% | 31.6% | 37.1% | 3.8% | 13.9% |
| NCREIF - ODCE | 16.4% | -29.8% | -10.0% | 16.0% | 16.3% | 21.4% | 13.1% | 9.3% | 5.5% | 5.6% |
| Infrastructure | | | | | | | | | | |
| ¹ IFM | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Rank by Style | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Benchmarks | | | | | | | | | | |
| CPI + 4% | 5.4% | 6.8% | 4.0% | 8.1% | 6.5% | 7.3% | 7.3% | 6.0% | 6.5% | 5.6% |

Signifies Outperformance of Benchmark

¹ Performance reported is net of fees.

² As of 3/31/08 the benchmark is the S&P Developed REIT Index. Prior to 3/31/08, the benchmark was the MSCI US REIT Index.

Estimated Annual Investment Management Fees

based on January 31, 2011 reported Market Values

| Asset Class | Investment Manager | Fee Schedule | Expense Ratio & Estimated Annual Fee ¹ | Industry Average ² |
|--|------------------------------|---|--|----------------------------------|
| Core Fixed Income | J.P. Morgan | 0.20% on the first \$100 million 0.15% on the Balance | 0.17% \$498,778 | 0.24% |
| Core Fixed Income Large-Cap Core Equity | Mellon Capital - Non Lending | 0.04% on the first \$200 million 0.02% on the Balance | 0.03% \$117,931 | 0.08% |
| Large-Cap Value Equity | Boston Partners | 0.40% on the first \$15 million 0.30% on the next \$25 million 0.20% on the next \$25 million 0.15% on the next \$35 million 0.10% on the Balance | 0.25% \$215,597 | 0.51% |
| Mid-Cap Growth Equity | Artisan Partners | 0.80% on the first \$50 million 0.60% on the next \$50 million 0.50% on the Balance | 0.80% \$351,246 | 0.78% |
| Mid-Cap Growth Equity | Reinhart Partners | 0.60% on the first \$25 million 0.50% on the next \$25 million 0.40% on the Balance | 0.55% \$270,497 | 0.78% |
| Small-Cap Value Equity | AQR | 1.00% on the first \$25 million 0.85% on the next \$50 million 0.75% on the Balance | 0.94% \$400,351 | 0.95% |
| Small-Cap Value Equity | Fiduciary Management | 0.70% on the first \$10 million 0.65% on the next \$40 million 0.60% on the next \$25 million 0.50% on the Balance | 0.66% \$320,860 | 0.95% |
| International Core | Barings | 0.75% on the Balance | 0.75% \$877,628 | 0.68% |
| International Value | GMO Large Cap Value | 0.67% on the Balance | 0.67% \$680,266 | 1.04% |
| International Small Core | GMO Intl Small Companies | 0.75% on the Balance | 0.75% \$532,510 | 1.04% |
| Emerging Markets | Barings | 0.75% on the Balance | 0.75% \$476,864 | 0.92% |
| Hedged Equity | ABS | 0.85% on the Balance *redemptions quarterly with 45 days notice | 0.85% \$818,278 | 1.37% |
| Hedged Equity | K2 | 0.90% on the Balance *redemptions quarterly with 91 days notice | 0.90% \$845,313 | 1.37% |
| Real Estate Core | Morgan Stanley | 0.90% on the Balance | 0.90% \$700,663 | 1.03% |
| Real Estate Core | American Realty | 0.95% on the Balance | 0.95% \$121,980 | 1.03% |
| Real Estate REIT | ING Clarion | 0.65% on the first \$50 million 0.60% on the next \$50 million 0.55% on the next \$50 million 0.50% on the next \$50 million 0.45% on the next \$50 million 0.40% on the Balance | 0.65% \$117,518 | 0.70% |

| | | | | |
|---|--|--|------------------------------------|--------------|
| Infrastructure | IFM | 1.25% on the first \$250 million 1.15% on the next \$250 million 1.00% on the Balance (two year hard lock)³ Performance Fee: 20% of return above 8% on a rolling three year basis (begins 12/31/11) | 1.25% \$881,733 | 1.80% |
| Infrastructure | JP Morgan | 2.00% on the Balance (six year soft lock, no performance fee)³ | 2.00% \$1,196,791 | 1.80% |
| Private Equity | Adams Street | 0.90% on the Balance until 2016 *based on \$30mm commitment | 0.90% \$221,247 | 1.11% |
| Cash Overlay | BNY Beta | 0.025% on the notional value | 0.025% \$12,547 | N/A |
| Total Investment Management Fees | | | 0.52% \$9,658,598 | 0.69% |
| Custodian | BNY Mellon (Custodian) (Cash Operating Account) | \$50,000 Flat Annual Fee 0.15% on STIF Funds | \$98,565 | |
| Fee Offsets: | | | | |
| Commission Recapture | CAPIS, LJR, and Abel Noser | | \$0 | |
| Securities Lending | BNY Mellon | | | |
| Total Fund | | | 0.52% \$9,757,164 | |

¹ Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.

² Source: 2010 Marquette Associates Investment Management Fee Study.

³ Hard Lock-Up - investors can withdraw 2.5% per quarter, free of charge during lock-up period. Soft Lock-Up - investors can withdraw semi-annually with a 6% redemption fee charged during lock-up period (4% to the Fund and 2% to the manager).